THE CASE OF THE

BITUMINOUS COAL MINE WORKERS

As Presented by

THE UNITED MINE WORKERS OF AMERICA

to the

PRESIDENT'S COAL COMMISSION

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THE CASE OF THE

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OF AMERICA

BEFORE THE PRESIDENT'S COAL COMMISSION

I. THE GIST OF THE MINE WORKERS' CASE.

THE facts bearing upon the contentions of the bituminous mine workers have now been fully developed. The operators and the mine workers have submitted the controversy to the President's Coal Commission. The mine workers based their case on official reports and records. They employed the best experts available and instructed them to develop all the facts regardless of their implication. These facts are now before the Commission for its unbiased analysis. In order to meet the widespread demand for copies of the exhibits offered by the mine workers, the present summary has been prepared. This constitutes a brief digest of the exhibits as presented and of the arguments and statements offered by the mine workers' representatives to the Commission.

The entire constructive argument of the bituminous mine workers was briefly summarized by President Lewis in his remarks to the Commission. In order that a comprehensive grasp of the situation may be had at the outset, his summing up of the facts may be quoted as follows:

"1. All wage increases which the miners have received during the war period, including the 14 per cent increase fixed in the Indianapolis agreement, do not equal the increase in the cost of living since the outbreak of hostilities in 1914, and the present wage of the miners is even more inadequate than the pre-war wage.

"2. The miners did not receive an adequate wage prior to the war, and an increase proportionate to the increased cost of living would not place them on a just economic basis today and would be unacceptable.

"3. Increases of miners' wages have not kept pace with wage increases in other industries.

"4. The miners are entitled to a living wage: the principle that was enunciated by the National War Labor Board, proclaimed by President Wilson and affirmed by the labor guarantees of the Peace Treaty—a principle that is fundamentally just, and that is universally sanctioned not only by the enlightened opinion of our own country, but by the civilized world.

"5. Regularity and continuity of employment constitute an economic right of the miners, and a practical application of this principle can be secured by a shortening of the work day.

"6. Punitive overtime wage rates will tend to insure more strict observance of the standard work day and the opportunity for more uniform employment.

"7. Increases in the cost of coal to the consumer have not been due to increased labor costs growing out of wage advances allowed to the miners, but have been caused by excessive profits demanded and taken by the operators and the wholesale and retail coal dealers. The proportion of the selling price of coal absorbed by payments to labor is less now than it was before the war.

"8. Earnings and profits of the operators have been grossly out of proportion to the increased costs of production, and the operators have not absorbed the 14 per cent wage increase fixed in the Indianapolis agreement, but, instead, have passed it on to the public.

"9. Earnings of the mine workers have been overstated and misrepresented by operators who have cited exceptional cases. The pay-rolls submitted by the operators demonstrated that the annual earnings of the miners are not sufficient to maintain the average family on a mere subsistence level, not to mention a standard of health and reasonable comfort."

Mine Workers Are Not Guilty of Bad Faith.

One of the suggestions put forward by the operators which the mine workers' representatives were most insistent upon meeting was that they were guilty of breach of contract, of using their economic power to force a conference after they had received a fair hearing in August, 1918, before the Fuel Administrator, who had decided at that time that their requests were unwarranted. As brought out by President Lewis in his final argument, the true facts are: that the only hearing which the mine workers obtained in August, 1918, was in regard to their request for a conference with Mr. Garfield and the operators. This request, according to President Lewis, was refused.

An appeal for such conference was taken to President Wilson, who delayed his reply until after the armistice and then concurred with Dr. Garfield in refusing the request. In none of these negotiations was the subject of the justice of wage increases considered. The only point considered was the *request* for a conference, to go into the justice of such demand.

The request for such a conference was not an attempt to break faith. Even in the law courts judges may and do re-open contracts on points of equity when the conditions under which the contract was made have radically changed. The Na-

tional War Labor Board adopted this principle of equitable adjustment of wage contracts during the war period. As early as the summer of 1918 the soaring cost of living had materially altered the conditions under which the wage contract of the mine workers had been made, to the point where it was apparent that equity demanded a reconsideration of the whole matter. It was this reconsideration which was refused.

These matters, according to President Lewis, go back nearly eighteen months. At that time many operators, in order to attract men from other mines, were paying bonuses and premiums in addition to the rates set in the agreement. This amounted to violation of the rulings of the Fuel Administrator. To quote from a memorandum submitted to Dr. Garfield in January, 1919, by Messrs. Rembrandt Peale and John P. White, the chief counsellors of the Fuel Administration:

"At the time this was brought to your attention we pointed out to you that you would be confronted by an open demand for an increase in wages by the United Mine Workers, both in the anthracite and bituminous coal regions. This became apparent to us after we had canvassed the situation and found that the coal operators in many districts were actually encouraging such a course on the part of the mine workers, and after weighing the matter very carefully, we recommended to you that a wage increase be granted the mine workers and that the

operators be required to meet it out of the existing price of coal. This, in our judgment, was the only way by which the situation could be adequately met. That the operators in the bituminous regions could afford to pay the wage increase out of the existing government prices was fully substantiated by subsequent events. However, in the month of August, representatives of the mine workers of the entire country met in the city of Washington and presented to you a demand for a substantial wage increase, based on the fact that the coal operators were able to pay said increase, and that they were paying it in the form of premiums and bonuses in many of the districts. The miners also offered as a further argument in support of their contention the abnormal rise in the cost of living. You addressed their meeting and after listening to their oral presentation on the entire situation, refused to concur in their position.

"The position of your advisers was that on account of the splendid showing that the miners had made in all sections of the country and the abnormal cost of living, and because the operators themselves, in many bituminous fields, had acknowledged their willingness and ability to pay an increase, the patriotic thing to do was to grant all the mine workers some increase in wages. . . . You thought otherwise. Your decision was adhered to by us, and we have endeavored to carry it out in every detail.

"The miners have not yet given up the idea that they are entitled to the claims they are making. President Hayes, Vice-President Lewis and Secretary Green, however, displayed splendid judgment

in these matters, keeping at all times in mind the welfare of our nation in its great crisis."

Evidently there were two men, one a prominent coal operator and large employer, the other a labor leader, men who had done much to make the war-time Fuel Administration a success, who felt that there was no lack of patriotism on the part of the mine workers and that over a year ago they should have had a substantial wage increase. More than twelve months elapsed, however, before the mine workers brought the matter to an issue, although even the advisers of the Fuel Administrator recognized the equity of their case. Meanwhile, the country had been at peace for a year, the emergency could not be urged, and the cost of living had continued to advance. This patient procedure, it was pointed out by the union officials, could not be correctly construed as precipitate or arbitrary action.

II. THE CASE FOR A LIVING WAGE.

The New Theory of Wages Contrasted With the Old.

The mine workers based their case upon two principles, which were accepted by the government as the basis for its relations with labor during the war. They are as follows:

1. The Pre-War Economic Status of the wage-earner must be guaranteed.

2. Every worker is entitled to rates of pay which under the working conditions of his locality will guarantee him a living wage.

The first of these principles arises from the general agreement between the government and organized labor for the period of the war. It was understood as a basis of wartime production that labor would not take advantage of the war emergency to secure wage advances, but that on the other hand the government should guarantee, by the fixing of wages, that the pre-war rates of compensation should be preserved by increases in rates in case the purchasing power of the dollar went down.

In addition to this, the government went a step further. It guaranteed to the mine worker through the proclamation of President Wilson of April 8, 1918, and through the principles of the National War Labor Board, both of which were obligatory on the Fuel Administration and all other government departments, that if the rates of pay of the mine workers were below a living wage, these rates would be brought to such a level as to provide a decent standard of health and reasonable comfort. This second principle—that of a living wage—took precedence over the first—the maintenance of pre-war standards. If rates of pay before the war were below the requirements of a living wage, they were to be advanced not only as the cost of living advanced, but to a higher point—to a rate which would meet the requirements of standards of living based upon health and reasonable comfort.

Later the leading commercial and industrial nations of the world gave their sanction to the principle of the living wage in the Peace Treaty, holding of supreme international importance "the payment to the employed of a wage adequate to maintain a reasonable standard of life as this is understood in their time and country." It is interesting to compare such pronouncement with the actual earnings of the mine workers of America.

In addition to the political, economic, and social sanction which has been given to the principle

of a living wage, it has recently been given a widespread moral, ethical, or as it were, spiritual approval. Expressed in other terms, the failure of industry to pay a living wage has been pronounced by the leading church denominations, both Catholic and Protestant, without exception, as not only antisocial, but as opposed to the principles of Christianity.

Such facts mean that the old theory of wages, prevalent in the past generation, has received the unqualified condemnation of the civilized world. This old theory or "law of wages" was that wages were determined by the forces of supply and demand. Labor, in other words, was viewed merely as something to be bought and sold. Little, if any, consideration was given to the human side of the wage problem. As a result of this law, labor's position was hopeless. It was required to suffer all the ills that arose in the industrial system as if ordained by the laws of the universe. This meant that in the bituminous coal industry the workers not only had to undergo the results of lack of markets, but also had to contend against an over-supply of labor brought about by unrestricted immigration.

During recent years, however, and especially during the war period, there has been a complete change in economic thinking in regard to the determination of wages. The enlightened opinion of mankind refused to continue to sanction such

a hopeless theory. More consideration came to be extended to the worker as a human being. Gradually it came to be felt that human welfare was above considerations of relentless economic selfishness. Industry came to be considered as existing for men and not men for industry. Industry, it was concluded, should be the servant and not the master of humanity. Any industry which could not operate under these humane conditions was anti-social. Labor was no longer to be considered as a raw material of industry, to be bought and sold at a price.

A Wage Increase Corresponding to the Increased Cost of Living Would Be Inadequate.

It is in the light of these principles that the justice of the mine workers' contentions must be determined. And in the light of these principles we find that even if the increases granted by the Fuel Administration had kept pace with the rising cost of living, the resulting rates would have fallen far short of the measure of justice. Such a miserly policy would have called upon the mine workers to sanction the preservation of rates of pay and working conditions far below the level of subsistence and health—rates which promised no possibility of comfort or of provision for sickness, old age, or incapacity. It would have called upon them to approve a standard of earnings inadequate to the

support of a family and to the education of children. The mere maintenance of the old earnings would mean the necessity of continuing the practice of putting children and young persons to work, of bringing lodgers into the home in order to supplement the inadequate earnings of the head of the family. In presenting their case to the public the mine workers make clear that they are asking, not a mere subsistence wage, but a *living* wage. When it is shown how humble this request really is, how it can be granted without increasing the cost of coal to the consumer, it is certain that all will agree that such a *living* wage should be the first charge upon the bituminous coal industry.

An Adequate Standard of Living Prior to the War.

The best pre-war investigation of the problem of a living wage was made for the Russell Sage Foundation by Dr. Robert C. Chapin. The results of his investigations, published in 1909 under the title "The Standard of Living Among Workingmen's Families in New York City," together with the conclusions of other authoritative investigations, show that annual earnings of $900 by the head of an average household were barely sufficient prior to the war for a minimum of physical subsistence. Dr. Chapin's analysis of the proportion of underfed in the various income groups showed

that of the total number of families earning less than $800 annually, 71 per cent were both underfed and underclothed.

In the steel manufacturing town, Johnstown, Pa., a governmental investigation prior to the war disclosed that the death rate among infants was considerably above the average unless the family had an annual income of at least $800. This is an indicator of the degree of health in living conditions. It can be interpreted only as meaning that a family could not provide sanitary housing, healthful environment, and adequate food, and that the mother could not have the proper rest at home, unless the family income was over $800 a year. And it should be noted that the majority of these studies as to the minimum requirements of healthy family life were made during the period 1907-1910. During the succeeding years the cost of living steadily rose until, in 1914, $900 was inadequate to maintain even a bare subsistence.

Pre-War Earnings of Bituminous Miners Were Inadequate.

When we turn from these studies to a consideration of the actual earnings of the mine workers prior to the war, we find these earnings below the standard set for bare subsistence. According to a report made by the Bureau of Labor in 1902, on the basis of a detailed investigation of the families

of 758 mine workers, all earned less than $900 a year, 93 per cent earned less than $700, 81 per cent earned less than $600, and 54 per cent, or a majority, earned between $400 and $600 annually.

One of the most exhaustive and comprehensive investigations of the bituminous coal-mining industry ever made was conducted by a special body, the United States Immigration Commission, during the year 1908-1909. It included within its scope practically all mining areas of the country. It disclosed that the average annual earnings of all male heads of the 2,100 households studied by the commission averaged only $451 for the country as a whole. The average annual earnings of the native-born workers was $590 and of the foreign-born $442. The average family income of these 2,100 families was only $577, the American families showing an income of $707 and the foreign-born of $569. In the Middle West the average family income was only $532, in Western Pennsylvania $551, in the South $699, and in the Southwest $582. Only about two-fifths of the families investigated derived their entire income from the earnings of husbands at the mines. The remainder found it necessary to supplement the earnings of the husband by taking boarders or lodgers, or putting the children of the household to work.

The average annual earnings of Illinois pick-miners, according to the State Board, were only

$485 in 1902, $538 in 1907, $516 in 1909, $556 in 1912, and $526 in 1913. Machine men and loaders in Illinois in 1914 earned on an average only $724. The average earnings of all mine workers in Illinois in 1913, a very prosperous year, were only $704; in Ohio $766; in Indiana $708; in Western Pennsylvania, $856; or an average for all of these States of $761. During the next year the average earnings were only $615.

All of these facts, gathered from the most reliable sources, were presented by the mine workers in a comprehensive exhibit entitled "Wages and Working and Living Conditions in the Bituminous Coal Mines." The conclusion is irresistible that *prior to the war the mine workers were not securing earnings adequate even to maintain the barest physical requirements of their families.*

It is, therefore, evident that had the mine workers been given increases in rates of pay corresponding to the rise in the cost of living, the present level of earnings would have been unsatisfactory to a nation which holds important the physical and moral well-being of its population. As a matter of fact, the inadequate wages which prevailed in the bituminous mining districts before the war were not even maintained during the war. The cost of living increased far more rapidly than the mine workers' rates of pay. Let us turn for a moment to consider the rise in the cost of living.

The Increased Cost of Living.

In deciding upon the justice of the mine workers' demand for an increase in wages, it is natural that the public should first ask for authoritative facts in regard to the rise in the cost of living.

The most recent information available from reliable sources indicates that at the beginning of the present year, 1920, the general cost of living for the United States as a whole was approximately 85 per cent higher than it was just prior to the beginning of the European war in 1914. For the industrial centers, where war activities led to the greatest influx of labor and consequent housing congestion, the increase may be estimated at approximately 90 per cent. For the other towns and cities, where no special war activities accentuated the problem, the increase may be estimated at approximately 80 per cent.

Unfortunately, we are unable to determine whether the experience of the coal mining towns was in any way peculiar, for they are in general rather small communities, and, as a result, tend to be passed over in cost-of-living investigations. In view of these circumstances, no very definite conclusions can be drawn as to the increased cost of living among the bituminous mine workers as a group. But following the method employed by the U. S. Bureau of Labor Statistics when it prepared

an estimate of the increase in the cost of living in the central coal field for the Fuel Administration, we are justified in assuming that the increase for mining towns has been about the same as the increase for the country as a whole, namely, 85 per cent from 1914 to January, 1920.

There seems to be considerable justification for the belief that the cost of supporting a family in the mining districts is greater than in the ordinary industrial centers and towns. And it may be expected that this will be demonstrated by the further investigations which Dr. Royal Meeker, of the Bureau of Labor Statistics, is making for the Coal Commission. Until his study has been completed, it will be assumed that the increase in living costs has been practically the same in mining towns as in other localities, or only 85 per cent.

The significance of this figure is emphasized by the statements of men in close touch with the business situation to the effect that there is absolutely no indication of any marked decline in prices during the immediate future. Many who speak with authority expect them to continue the upward movement. Thus the Manufacturers' Record of Baltimore, presumed to be an authoritative organ of the manufacturers of the country, makes the following comment:

"For more than ten years the Manufacturers' Record has been making predictions as to food

costs. Thus far they have all come true. We are willing to make another. The cost of living will not be reduced by March 1, or for a long time after that, and no April Fool's joke to that effect will pan out.

"And still another prediction—the cost of living will be higher a year hence than it is now."

With such facts staring them in the face, the mine workers appear conservative when they adopt the figure 85 as the percentage increase in the cost of living on which to base their case.

Increases in Rates of Pay Did Not Keep Pace With the Rising Cost of Living.

With this 85 per cent rise in the cost of living in mind, let us turn to authoritative figures as to the increased compensation which the mine workers have received during the same period.

The U. S. Bureau of Labor Statistics has recently published a comprehensive study of wages and hours in the coal mining industry which traces the wage movements in that industry from 1902 to 1919. During the period of the war—that is, from 1914 to 1918, inclusive—the rates of pay, according to their computations, have advanced 36.4 per cent. Compare this with the increase in the cost of living—36.4 per cent as contrasted with 85 per cent. Such a contrast affords some measure of the justice of the mine workers' contentions. In

order that the inadequate pre-war rates should be maintained, it would be necessary to increase their present rates, established in March, 1917, by 37.2 per cent. These figures are based upon the rates in the Hocking Valley District of Ohio. If the rates prevailing in the Pittsburgh District had been taken, the increase necessary merely to maintain standards existing before the war would be approximately the same—to be exact, 36.5 per cent.

But merely raising the wage rate up to the cost of living from time to time does not result in justice to the wage earner; for it means that during the long periods between adjustments the wage is steadily falling behind the cost of living, which rises steadily. Where periods of adjustment are six months or more apart, the wage rate should in equity be increased beyond the cost of living sufficiently to compensate for the losses sustained during the intervening months. This would mean that if a new rate is set for the Pittsburgh District dating from January 1, 1920, the amount lost by the wage earners during the previous twenty-seven months should be divided equally among the twenty-four months during which the new rate is to be in effect. In other words, enough to cover the amount lost should be added to the new rate. When this is computed on a tonnage basis, it shows that a 60 per cent increase in present rates of pay for the next twenty-four months is necessary if the

mine workers are merely to be reimbursed for the losses they have sustained as their old rate steadily fell behind the rising cost of living. These facts were brought out by the mine workers in a comprehensive exhibit, together with figures showing that this measure of justice could be accomplished without materially increasing the cost of coal to the consumer.

From the foregoing comparison, it is at once evident that wage advances to mine workers during the war have lagged approximately 35 to 40 per cent behind pre-war rates of pay, so far as the purchasing power of wages is concerned. If wages were inadequate before the war, they were obviously even more inadequate during the war, and are now more than one-third less than they should be in order merely to maintain the entirely unacceptable standards of living which prevailed in the mining regions in the years 1912 to 1914. Under these conditions the need for a living wage is also clearly apparent. If the earnings of the mine workers before the war were scarcely sufficient for a bare subsistence level of living, adding the increased cost of living would only restore the inadequate pre-war standards. What the mine worker needs, and what the interest of the country demands, is that, irrespective of increases in living costs, the rates of pay should be increased sufficiently to assure him a living wage.

What Is a Living Wage?

It is high time that the public be given an opportunity to decide for itself what is to constitute a living wage in America; for it is a problem vital to the interest of the country as a whole. Hitherto consideration of this subject has been left largely to special students who published long, unreadable reports and to commissions appointed to meet special industrial situations. In the light of the need for a living wage, the mine workers have had all available authoritative data on the subject compiled and carefully analyzed. This analysis shows that students have, in general, worked out two important levels or standards of living. It is for the public to decide which of these is more American.

The first is generally described as the "Minimum of Subsistence level." This is based essentially on mere animal existence and allows little or nothing for the needs of men as social, that is, as human, beings.

The second, described as the "Minimum of Health and Comfort Level," represents a slightly higher level than that of subsistence, providing not only for the bare material needs of food, shelter and body covering, but also for certain comforts, such as clothing sufficient to maintain the wearer's instinct of self-respect and decency, some insurance and some simple amusements. Even this

level does not include many things which should be included in a proper "American Standard of Living."

Briefly let us see what annual earnings would be required if the mine workers are to satisfy each of these requirements today. All of the studies have taken as a basis a family of five. This is done because the average American family is of this size, because marriage is socially and morally desirable, and because it is necessary that marriage should result, on the average, in a minimum of three children if the race is to perpetuate itself.

Cost of Maintaining the Minimum of Subsistence Level.

In one important exhibit submitted by the mine workers the minimum budgets accepted as standard in past years have been brought up to date by applying to the various items the increases in prices since the year when they were made. The work of such authorities as Professor W. F. Ogburn, of Columbia University, and of Professor Chapin, as well as the studies made by the New York Factory Investigating Commission and the Bureau of Personal Service of the New York City Board of Estimate and Apportionment, are included in this analysis.

These most conservative estimates as to the amounts absolutely necessary for the maintenance

of an average family of five persons *on a bare subsistence level* only, when brought up to January 1, 1920, show the need for the following annual earnings:

Professor Ogburn's Budget	$1,622
Professor Chapin's Budget	1,632
N. Y. State Factory Investigation	1,587
N. Y. Board of Estimate	1,541
Budget compiled from Food Allowance	1,633
Average	$1,603

These budgets provide for a subsistence only just above the *poverty level,* and make no provision whatsoever for comfort, health, savings, recreation or amusement. They are not put forward as showing the standard which the mine worker's family ought to be able to attain. After providing for food, clothing, shelter, not the slightest margin is left to prevent the wife and children from becoming public charges in case anything happens to the miner himself. And yet in many mining districts the earnings of the head of the family have not been enough to yield this amount, and in order to secure a family income which would provide for physical needs alone, it has been necessary to supplement the earnings of the father by having the children go to work, or by taking lodgers into the home. It is to the interest of the country that the

mine workers be given such wages as will enable the mining families to rise from the economic darkness and despair which now engulfs them. Long years of mere subsistence are not the best preparation for citizenship. The mine workers today ask with justice that they be given the opportunity to earn a wage which will command a decent standard of living.

A Minimum Standard of Health and Reasonable Comfort.

What the mine workers should have, and what the public will insist upon when it really knows the facts, will be the establishment of such rates of pay and such opportunities for work as will enable the mine worker to earn a living wage. It is, therefore, essential to discover the amount of annual earnings which would provide such a living wage. Basing their figures on prices for December, 1919, two budgets have been prepared. Professor Ogburn estimates the amount necessary to maintain an average family in a manufacturing town in health and reasonable comfort at $2,060. The United States Bureau of Labor Statistics estimates the same amount for a family in the District of Columbia at $2,262. Prof. Ogburn's budget was originally prepared with the aid of the best available data and the assistance of the leading experts of the

country in the summer of 1918 for the use of the former National War Labor Board and for the use of Judge Samuel Alschuler in the determination of wages for the employees of the slaughtering and meat-packing industry. It has been brought up to date by adding the increase in prices since June, 1918, to the various items of the budget. These are very conservative estimates, however, and understate the amounts absolutely necessary. They are indicative only of what is necessary to secure for the workingman's family a minimum degree of health and some small measure of comfort.

It was, of course, realized that the cost of living as well as the methods of living in bituminous mining areas were different in some respects from those which were characteristic of industrial cities. In order to meet this difficulty, the U. S. Bureau of Labor Statistics is at present engaged in making a study of specific mining centers. With the material which has already become available, Professor Ogburn has modified his own budget, adjusting the items of the earlier budgets to the peculiar needs of the mine workers and to the peculiar conditions of the mining towns. The result of this study is a budget which is believed to represent the barest minimum of health and decency for a mine worker's family. The total cost, at prices now prevailing in the towns covered by the studies of the U. S. Bureau of Labor Statistics, is $2,243.94.

The standard of living provided in this budget represents certainly no more than a minimum of human decency. It has been described by Professor Ogburn as a "Minimum-Comfort Budget." And there is little doubt as to the fact that the average housewife, after glancing at the full list of items given in the appendix, would emphasize the word *"minimum."* The amount allotted to food allows but slightly over two dollars a day for the entire family of five, and is worked out upon the basis of supplying adequate nourishment on the cheapest possible basis. The problem of clothes is especially difficult today. The following facts taken from the detailed budget will show how conservative Professor Ogburn has been in his estimate:

The man's suit, bought at $40, is to last him two years. His overcoat, priced at $35, is to last him four years, and his raincoat six years. The clothing problem of the miner is complicated by the fact that it carries a very considerable item of expense for the clothes which he wears down in the mine.

Perhaps the most noticeable economy is found in the clothes allowed the wife by this budget. No allowance is made for those minor clothing luxuries which are of great importance, if not of actual necessity to the comfort of a woman. It is home-made cotton waists and dresses that she must be wearing most of the time. And the winter clothes

which she wears when she goes out must do her at least two years, while a cheap winter coat must last three years.

So we might pass on, wondering what kind of an eleven-year-old boy could keep a suit for one whole year, with no alternative except some cheap extra pants. In fact, it is presumed that the wife does a considerable amount of sewing for the children, not only in cutting down the "hand-me-downs," but also in making new garments, and many prices for the children's clothes are based upon the price of material alone.

The miscellaneous item includes everything from soap to doctor's bills, and from insurance to the ordinary items for the upkeep of furniture and the house.

In short, this budget provides only those things that a family *must* have in order to maintain health and keep its self-respect. It provides for no luxuries and omits many things which are necessities, according to our American standards. Most striking of all, it provides for no savings. Surely a man should be expected to have a sufficient income to save at least 10 per cent. This item alone would add $200 to the budget.

The main items in this budget are as follows:

SUMMARY OF PROFESSOR OGBURN'S BUDGET.

1. Food		$801.38
2. Clothing:		
Husband	$146.81	
Wife	130.92	
Boy (11 years)	77.40	
Girl (5 years)	66.13	
Boy (2 years)	34.00	
		455.26
3. Housing, fuel and light		286.00
4. Miscellaneous		576.30
Total		$2,118.94
Average saving on garden and chickens		15.00
		$2,103.94
Explosives, smithing, etc.		140.00
Total		$2,243.94

Present Earnings Contrasted With These Standards.

How do the present earnings of the mine workers compare with these estimates by experts of the amounts necessary to maintain living standards? That is the question that the public will want to have some basis for answering. By a stroke of good fortune the operators themselves provided

pay-roll data for 1918 and for the first ten months of 1919, which will help to settle that point. These exhibits presented by the operators were so favorable to the contentions of the mine workers that President Lewis accepted them and asked the commission to consider them as if they had been offered by the mine workers themselves. When analyzed, these figures submitted by the operators were found to show—

That for the northern Illinois district the actual average earnings for pick miners and loaders were under $1,000.

That if conditions had been such as to permit these men to work every day when the mines were in operation, they would have been able to earn the grand total of $1,194.12.

That if conditions had been such as to permit these men to work every day when the mines were open in 1919, when conditions were worse, their annual earnings would have been less than $1,000.

That in less than one-third of the companies shown in the exhibit were the average monthly earnings of all occupations listed as high as $100, while in almost half the cases the average monthly earnings were below $80.

This will be enough to indicate the general tendency shown by the figures of the operators themselves. In commenting upon them, President Lewis well said:

"It does not seem necessary to emphasize the smallness of these earnings. The mine workers in a very complete exhibit already submitted have shown that in the opinion of the most authoritative students of the subject, it is impossible for the average family to live upon a minimum of subsistence level at less than $1,600 per year, and that at least $2,200 is necessary to maintain a level of health and reasonable comfort.

"In view of these facts, the figures on annual earnings submitted by the operators regarding potential earnings carry their own condemnation. Moreover, it may be noted in passing that the term 'potential earnings' is largely a myth. Potential earnings could only be actual earnings in case every employee was able to work every day the mine was in operation. But in practice it would be true in almost every case, that if all the men were able to work every day, the mines would be in operation a much smaller number of days."

Wage Increases Received by Mine Workers Contrasted With Those Received in Other Industries.

The contrast between the earnings of the mine workers and the estimated amount necessary to maintain decent living conditions is no more striking than the contrast between the increases received by the mine workers and the increases received by other industrial occupations during the war period. Statements have been freely made by the operators

to the effect that the mine workers have secured greater advances than other wage earners. How false such statements are will appear from the following facts taken from a comprehensive exhibit on War-Time Changes in Wages submitted by the mine workers. The material in this exhibit was compiled from authoritative sources, such as the U. S. Bureau of Labor Statistics, the New York State Industrial Commission, the Department of Agriculture, and the National Industrial Conference Board.

The first glance at the material presented shows that whereas the majority of the important industries of the country have given their wage earners increases which average more than 75 per cent above the rates and earnings of 1914, only about 25 per cent of the bituminous coal miners have received as much as 65 per cent increase and at least a third of them have received less than 50 per cent advance. Except for the bituminous coal mines, there are only three groups of workers—the Ladies' Garment Trades, the Building Trades, and the Street Railway Men—with an appreciable proportion of their workers below this dead line of a mere 50 per cent advance to meet an 85 per cent advance in the cost of living. And for the three industries mentioned data for a late period are not available.

Turning to the separate industries we find that

in the Iron and Steel Industry 99 per cent of the occupations have received average increases of over 75 per cent, and 80 per cent of the occupations over 125 per cent. The New York State Industrial Commission supplies figures showing that the average increase in all the industries of the State is 105 per cent, while the report of the National Industrial Conference Board, which had access to pay-roll data from seven important industries, shows that in only one, the metal trades, has the average increase been below 75 per cent. In that industry the figure is 73 per cent. But we cannot here go into each industry separately. Perhaps enough has been said to show the outstanding facts which appear in the exhibit. Whether we turn to the shipyards or to the navy yards, to the arsenals or to farm labor, we find a seemingly universal recognition of the fact that wage earners are entitled to at least from 75 to 100 per cent advance in wages over 1914 rates in order to keep somewhere near abreast of the cost of living.

On the other hand, when we turn to the bituminous coal industry, with a large majority of its workers showing increases below 65 per cent, and at least a third of its workers showing increases of less than 50 per cent, the contrast shows how untrue are the assertions that the mine workers have secured greater wage advances than have the other wage earners of the country.

Wage Increases and Price of Coal.

There is another aspect of the problem of wages upon which the public must certainly be eager for authoritative information. It is upon the statement so frequently made that an increase in the rates of pay of bituminous coal miners must necessarily result in an increase in the price of coal, with a further addition to the already high cost of living. In order to provide such information, an expert was secured to make a detailed study of the relation of wage advances to total costs, prices and profits. The results of his investigation showed the assumption that an increase in wages must necessarily be followed by an increase in the price of coal to be untenable in the light of existing conditions in the coal industry.

Although the wage increases allowed to the bituminous coal miners in 1917 were accompanied by an advance in coal prices, this exhibit showed conclusively that the added cost to the consumer was greatly in excess of the additional cost of labor due to the wage increases. The principal cause of the increased prices of coal is not to be found in the wage advances allowed to the miners to meet the increasing cost of living, but in the excessive profit of the coal operators and of the wholesale and retail coal dealers.

An examination made in this exhibit of official

data bearing on the production and distribution of coal shows, in general, that the increase in the retail price of bituminous coal since 1916 has been from three to four times as great as the increase in the cost of labor during the same period, and that the operator's share of the proceeds has increased to an extent varying from 75 per cent to 400 per cent.

A recent report of the Federal Trade Commission furnished ample material to back up these statements. In the Central Pennsylvania coal field, for example, this report shows that there was an advance in the cost of the labor required to produce a ton of coal from $0.82 in 1916 to $1.36 in 1918, or 54 cents, while the amount realized by the operator for the sale of coal advanced from $1.36 to $2.49, an increase of $1.13, or more than double the increase in the cost of labor during the same period. To put it another way, the average amount received by labor for each ton of coal increased by 64 per cent, while the average amount received by the operators as profit on each ton increased by 250 per cent. By the time the much-talked-of increase in wages reached the public in the retail price, it had quadrupled. In other words, although the average increase in the wholesale price of coal was $1.20 per ton, the increase in the retail price during the same period was $2.19, which is more than four times the $0.54 awarded to labor. Ac-

cording to the figures of the Federal Trade Commission, as brought out in the exhibit, labor's share in each dollar paid by the public has actually decreased by 16 per cent since 1916, while the operator's share has more than trebled.

Altogether, the study of this report and of other official material clearly points to the fact that the profits of the coal operators are amply sufficient to absorb a reasonable increase in the rates of pay of the mine workers, and that such increases need not involve any advance in the price of coal.

What the Mine Worker Receives and What the Consumer Pays for His Annual Product.

The following table presents in summary form the facts which appeared in a number of tables presented by the mine workers in their exhibits. The facts are selected in order to make more plain the relationship between the increases in wages and prices. It should be understood that the figures given are rough approximations and averages.

It should be pointed out that the pick rate per ton is about 8 cents above the average which the operator in this district actually pays the mine worker per ton, for about half the coal is mined by machinery at a rate which is at present some 17 cents below the rate per ton given for pick mining. But the rate given is the rate which is used as the

basis for wage changes, and so in consideration of increases it may be taken as representative.

Year.	Production per man		Value of annual product per man at retail price.	Operator's receipts per ton.	Retail price per ton.	Mine worker's receipt per ton.
	per year. Tons.	per day. Tons.				
1910	751	3.46	$3912.71	$1.12	$5.21	.585
1911	738	3.50	3867.12	1.11	5.24	.614
1912	820	3.68	4387.00	1.10	5.35	.614
1913	837	3.61	4544.91	1.18	5.43	.6464
1914	724	3.71	4126.80	1.16	5.70	.6464
1915	794	3.91	4422.58	1.13	5.57	.6464
1916	896	3.90	5026.56	1.32	5.61	.6764
1917	915	3.77	5453.40	2.27	5.96	.7764
1918	942	3.78	7347.60	2.57	7.80	.8764

Comparing the columns with particular reference to the years 1914 to 1918, it appears that the mine worker's rate per ton advanced $0.23, that the operator's receipts increased $1.41, and that the retail dealer's receipts increased $2.10. Thus the operator's receipts show an advance nearly seven times as great as that which the mine worker received, and the retailer's receipts show an advance over nine times as great.

It is interesting to see these facts reflected in the columns showing the gross receipts of the coal retailer for a single mine worker's annual output. Here the retail price paid by the consumer for the mine worker's product should be compared with the annual earnings of the mine worker, ranging from, perhaps, $761 in 1914 to $1,100 in 1918. In any

such comparison it must be recognized that a large element in the retail price of coal is the transportation expense. But the figures show, none the less, how small an element in the general cost to the consumers is the increase granted to the mine worker. During the period of four years the mine worker's annual increase may be put at approximately $300. The corresponding increase in the retail cost of his product was nearly $3,000.

In 1914 the mine worker's receipts for 10 tons of coal produced would buy 5½ tons of his product at the operator's price and 1 1-5 tons at the retail dealer's price. In 1918 his receipts for ten tons produced would buy only 3½ tons at the operator's price and 1 1-8 tons at the retailer's price.

Is a 60 Per Cent Increase a Fair Request?

The mine workers presented a series of tables and charts showing that if the relationship between wage rates, cost of living and value of the coal produced which existed prior to the war is to be maintained, a 60 per cent increase must be granted.

The wage rate taken as a fair example is the rate per ton for hand mining in the Pittsburgh District. This rate is the basing rate for the district and is not very different from the basing rates in other parts of the central competitive field. Since 1909 this rate has increased 49.6 per cent, while in the same period the value of the coal produced per ton

has increased 141.1 per cent. This discrepancy between the wage rate and the value of the product has existed only since 1916. Before that time the two maintained a very close relationship.

If the wage rate had kept pace with the value of the product since 1916 as it did up to 1916, the rate in 1918 would have been $1.41 per ton, or 61 per cent above the actual rate at the time. In other words, the mine workers' claim amounts merely to the claim that the old relationship between wages and value produced be re-established.

And by a strange coincidence approximately the same rate will be necessary if the mine workers are to be compensated for the increase in the cost of living. As already pointed out, the present rate must be increased by 36.5 per cent in order to bring it up to the old relationship with the cost of living. Such an increase will bring the wage rate in question up to $1.1958 per ton.

But another factor enters in. The last adjustment of the wage rate took place in November, 1917, and just barely brought the level of wages even with the cost of living. During the succeeding twenty-seven months the cost of living rose steadily. Each month the mine worker's wage would buy less. In other words, each month the discrepancy between the increase in the cost of living and his wage became greater. If we grant that the workers have a right to a wage which

keeps pace with the cost of living, this means that each month the mine workers were losing a part of the wages which were justly due them.

Where wages are readjusted only at long intervals, equity requires that they be raised enough in excess of the increase in the cost of living to cover this steady loss, which goes on from month to month. In order to fix the present amount which will compensate the miners for the hardships they have suffered during the period when their wages were falling farther and farther behind the cost of living, the average loss per ton must be ascertained. In one of the exhibits presented by the mine workers this has been carefully worked out. Careful investigation showed that the aggregate loss suffered during the twenty-seven months amounted to $4.95 per ton.*

If a rate is fixed at this time to be effective for two years, starting with January 1, 1920, the amount lost during twenty-seven months will have to be made good in twenty-four months during which the new rate is to be in effect. This would add one twenty-fourth of $4.95, or $0.206, to the rate per ton necessary to bring the 1917 wage rate abreast of the cost of living. Adding this $0.206 to $1.1958, brings the total to $1.4018 per ton as a just and equitable rate to be fixed for the ensuing

* See chart at end of pamphlet.

two years for the pick miners of the Pittsburgh District.

It is an interesting fact that the rate of $1.4018 *thus obtained is essentially the same as the rate of* $1.41 *per ton necessary to maintain the old relationship with the value of the coal produced, and is practically an increase of* 60 *per cent over the present rate.*

III. THE CASE FOR THE SHORTER WORK DAY.

A Demand for an Opportunity to Earn a Living Wage.

The demand for a shorter work day is closely associated with the demand for a living wage. It is, in fact, a demand for the opportunity to earn a living wage. Increase in the earning power of the mine worker is almost as dependent upon his securing a greater and more regular opportunity to work and to earn as it is upon an increase in his rates of pay. With inadequate rates of pay in the face of lack of opportunity to work, the position of the mine worker has grown desperate. His potential earning power must be increased. The demand for a six-hour day, five days a week, has been misrepresented as a movement for a reduction of the working period, when, as a matter of fact, it is really a request for the opportunity to work more. It is made in the face of the fact that under present management, or mismanagement, the mine worker must face the prospect of unemployment aggregating on the average close on to 100 working days out of each year. The problem of the coal industry is really a problem of overproduction. With an average of 200 working days, it can

produce enough coal to satisfy the market. During the other days, the mine worker must shift for himself. This chronic unemployment should certainly be considered one of the serious hazards of the industry. And there are other hazards, too—the hazard of death by accident. The mine workers look to England and see both these hazards reduced by the shorter working day. And they see also that in certain important coal areas in England what amounts to the six-hour day has been in force for many years without materially decreasing production. Such facts as these, brought out in great detail in the exhibits presented by the mine workers, lead inevitably to the conclusion that the request for a shorter hour day really aims at the solution of certain problems of management in the industry.

Bituminous Coal Mining a Part-Time Industry.

Practical experience, as well as the result of recent investigation, has led to the conclusion that bituminous coal mining in the United States is practically a part-time industry. The amount of unemployment varies considerably from year to year, but the United States Geological Survey reports show that during a period of twenty-eight years ending in 1918 the mines were open for work on the average only 216 out of 304 possible working

days. During this period there was one year, 1894, when the mines were open for work an average of only 165 days out of the 304 possible working days, while during the best year, 1918, there were 55 working days when the mines were not in operation. To what extent various causes were responsible for lack of continuous employment in earlier years cannot be satisfactorily determined, but authentic data showing these causes are available for the period from October, 1917, to November, 1919. And these reports of the United States Bureau of Mines show clearly that the miner himself has relatively little responsibility for the notorious unemployment record, that is, for the lack of productive efficiency in the bituminous coal industry. The facts brought out by these reports are of such vital importance to the public that we venture upon the following summary. Briefly stated, the reports show:

1. That in a year of intense war activity, as well as during a year of readjustment following the war, there was at all times an inordinate loss of coal production, and a corresponding loss of employment to *labor, due to non-operation of bituminous mines.* Non-operation means that the mines were not open for work.

2. That during the first period this loss of production, this shutting down of the mines, was largely due to the fact that the railways could not handle the coal as fast as the miners produced it.

3. That during the second period the mines were shut down because they produced more coal than the market required.

4. That with the exception of a few weeks, principally those in which legal holidays fell, lack of labor and strikes were responsible for a relatively small part of the loss of production due to the shutting down of the mines.

5. That full operation of the mines now active, or anything approaching full operation with the labor force now employed in the industry, would result in production of coal very far in excess of the demands of the country.

It will be readily admitted by the mine workers themselves that there are times when the mines are forced to shut down because the mine workers decide to take a holiday. But it cannot be argued that this results in permanent loss, either of earnings or production, for it is an industry where full-time production is never expected, and the workers know that they will be employed only to the extent of meeting the demand. So there are occasionally times when the mine workers take voluntary holidays, knowing well that if they do not they will be forced later to take an involuntary holiday which may come at an unwelcome moment. The real factor which limits the earning power of the mine worker is shown by the official reports to be beyond his control. Putting it another way, the miner is

the helpless victim rather than the cause of the deplorable employment situation which prevails in the bituminous coal mining industry.

A study of the best available material shows clearly that had available labor been utilized to a reasonable extent during the year following the armistice, the output would have been far in excess of the market demands. That this unfortunate condition has long existed in the bituminous coal industry is a well-known fact. Mr. Francis Peabody, who was chairman of the Coal Committee of the Council of National Defence during the war, recently stated to a Senate Committee that the total cost of production of coal, as well as the earnings of the miner, depend entirely upon continuous work, and that the cost of his mines is affected by irregular operation to the extent of between 50 and 60 cents a ton. Commenting further on the existing irregularity of operation, Mr. Peabody makes the striking statement that the physical capacity of the mines themselves throughout the United States is sufficient to produce 40 per cent more coal than the possible demands of the country.

What does this mean? It means that both the mine worker and the public are suffering from the irregular methods of production in the bituminous mines. The workers are suffering because they are unable to earn a steady wage. The public is suffering because the cost of non-operation is charged

into the price which it pays for a ton of coal. This last point is of such extreme importance that the mine workers had a special exhibit prepared upon the subject.

How Capital in Coal Industry Gets a Wage Whether It Works or Not.

In an attempt to deny the right of the miners to an opportunity to earn a living wage, one of the representatives of the operators asked the following very significant question:

"Must the workers in the bituminous coal industry be maintained whether they work or not?"

The conclusion drawn by the operators was that if the country needed the mine workers only 212 days out of the year, it was under no obligation to pay them a living wage for the full year. Let the mine worker go out and find a job somewhere else. In other words, the speaker implied that the public was under no obligation to give the mine worker sufficient annual earnings to maintain his family for a full year when it only needed his services for three quarters of a year.

This led the mine workers' representatives to ask the same question with regard to the capital invested in the industry. Was the public under any obligation to maintain this capital whether it worked or not? For obviously when the mines

were idle, the capital invested in the mines was no more serving the public than were the mine workers. And yet, as a result of careful analysis of financial returns, found in the reports of the companies and in the report of the Federal Trade Commission, the interesting discovery was made that in paying the regular price for coal the public is paying the coal companies over $100,000,000 each year for periods when the companies are doing nothing for the public; that is, for periods when the public does not need their services. This is not the whole amount paid to capital in the coal industry during the year. It is only the amount paid for maintenance and profits during the actual days of idleness; for capital invested in the coal industry expects the public not only to maintain it—that is, to pay its expenses—during these periods when it is unemployed, but also to pay profits for no services at all.

The earnings of the wage earner are not given exclusive of the cost of maintaining himself and family. The question of a fair return to the worker is not based upon his profit over and above what it requires to maintain him as a serviceable member of industrial society. Applying this to capital invested in the coal industry, the full wage must naturally include maintenance, depreciation and depletion charges, as well as the interest and dividends paid on stocks and bonds. The question raised by

the operators was, therefore, found to involve the question whether the nation is under any obligation to continue this wage to capital whether it works or not.

The exhibit presented by the mine workers shows that in the cost of each ton of coal are items of overhead and profit which continue whether the mines are working or not. Taking these items only for the period when the mines were idle in 1917, it was found that for this period of idleness the public paid the coal operators approximately $144,000,000; that is, $225 per man employed. In the following year the total paid to maintain invested capital in idleness was approximately $128,000,000, or $200 for each man employed. And it must be remembered that none of this went to the mine workers and that they were, during these periods, without opportunity to earn a wage.

It was also discovered that the public is today maintaining in idleness at a regular charge included in the prices which it pays large investments in coal lands which were acquired by the coal companies for deferred use in order to gain a monopoly. And, furthermore, the nation is paying for the maintenance of these natural resources not on the basis of their original cost to the original companies, but on the basis of the enhanced value given to them in terms of the present market, largely due to the monopoly obtained by these purchases.

In view of these facts, the answer to the question must apply to capital as well as to labor, to the companies as well as to the mine workers. Should it be decided that the public is under no obligations to maintain its servants during periods when they are not actually serving, it would immediately be clear that when the public pays only for the maintenance of the companies during the portions of the year when they are actually working, there will remain over a very large annual fund out of which may be met the cost of the living wage asked by the mine workers and of the shorter working day as a means to greater regularity.

Such a question leads to other questions of the same order. For instance, it would be an interesting situation were a country to treat its soldiers as it does its miners, maintaining them only when there was specific fighting to be done. Surely, in the last analysis, it is not so much a question of obligation as it is of wisdom, of farsightedness. There can be no question as to the vital importance to the country of maintaining in a state of well-being a large body of its population which is performing a difficult and essential service.

Hazard of Bituminous Coal Mining.

A great deal has been written and a large number of investigations made as to the occupational

hazard, both in the form of accident and of health, of the bituminous coal miner. They have all pointed to the same conclusion—that the hazards of the miner are greater than those of any other important industrial occupation. The importance of this great occupational hazard is so clearly recognized that the Federal Government has created a special national office—the Bureau of Mines—to deal with it.

The experience of the leading industrial insurance companies has shown that the bituminous coal miner has a death rate 32 per cent above the average for all other industrial occupations. Aside from accidents, the leading causes of death are respiratory diseases. During the influenza epidemic of 1918, bituminous miners died at four times the rate of mortality in all other industrial occupations. Representative life insurance companies will accept a miner only if he pays rates of risk sixteen years above his actual age and then will permit him to have no cheaper policy than a twenty-year endowment. Only one other occupation is subjected to more drastic conditions.

The coal mining industry, especially the bituminous, is subject to great catastrophies. Since 1900 there have been at least twelve mining accidents in each of which one hundred or more mine workers were killed. There are hundreds of minor accidents, due to cave-ins, etc. Those which do not

result fatally generally cause disability to the legs and so prevent resumption of work on recovery.

The mortality experience of the industrial department of the Metropolitan Life Insurance Company for the years 1911-1913 showed that sixty-three out of each one hundred coal miners who died between the ages of 15 and 24 years died a violent death; that forty-four out of each hundred between the ages of 24 and 34 years died an accidental death, while thirty-one out of each hundred between the ages of 35 and 44 years died as the result of an accident.

From a study of fatal accidents in the coal mines of the important coal-producing nations of the world, published by the United States Bureau of Mines, it appears that in the United States, where physical conditions are most favorable to safety in the mines, the accident death rate is highest. Approximately twice as many mine workers per thousand die as a result of accident in the mines of the United States as the average for all the other coal-producing nations of the world.

As the physical conditions of safety are more favorable in the United States than in other countries, the increased hazard must be due either to lack of precautionary measures or to the high productivity of the American miner. It is generally admitted that the increased risk is largely attributable to the fact that the American mine worker

produces more per hour. This would seem to raise the question, should the fact that the American mine worker produces more per hour than any other miner in the world be a source of danger to him or should it be the logical basis for decreasing the hazard by shortening his hours of work per day? That such reduction of daily hours does tend to reduce the number of accidents, appears to be one of the conclusions drawn from the experience of certain British mines, where what amounts to a six-hour day has been in effect for some time.

Annual Production Per Man in the United States Compared With That in Other Coal Producing Countries.

The following table is inserted merely to give a rough idea of the vastly greater productivity of the American miner. It is derived from data given in U. S. Bureau of Mines Bulletin No. 69. Complete data for the period since 1911 are not available. With the exception of New South Wales, there is no country in which the individual mine worker has half as much tonnage to his credit. This is one of the important causes of the higher death rate in the American mines, and appears to be a just basis for increased compensation and shorter hours. It must be recognized that this greater productivity is very largely due to better physical conditions and to greater introduction of mining machines.

Tons produced per man per year.

	United States	Great Britain	Germany	France	Belgium	Austria	Japan	India	New South Wales
1901	605	309	274	218	183	184	125	90	548
1902	581	314	269	201	187	183	136	85	519
1903	631	311	279	230	188	190	131	96	511
1904	592	312	277	219	181	197	134	103	480
1905	628	314	387	226	178	210	160	109	553
1906	646	324	302	211	186	218	134	113	570
1907	710	324	294	220	183	218	118	109	568
1908	602	301	279	211	179	223	129	113	578
1909	691	296	271	219	181	215	109	116	433
1910	692	287	275	215	183	217	126	121	520
1911	681	290	182	---	176	227	---	127	560

Punitive Overtime.

Closely associated with the request for a shorter working day is the request for punitive overtime, as a means of securing strict adherence to the standard working day. Here, again, in an industry where unemployment constantly results from overproduction, it is important to have safeguards against the extension of the working day.

That this request is not extraordinary is proved by following survey of the practice in this country. It is a practice current in practically all the organized trades, such as the building trades, metal trades, laundry workers, granite and stone trades, bakery trades, cigarmakers, stationary firemen, glass workers, hatters, papermakers, photo-engravers, printers and printing pressmen.

Punitive overtime is almost universal in the basic industries of the country except in the coal mines. It is paid in all of the four principal centers of the men's clothing industry, with over 100,000 workers.

The shipyards of the country, with approximately 300,000 employees, have adopted the practice. Even the railroad freight service accepted the practice, effective in December last, and practically all railroad employees, or approximately 2,000,000 wage earners, now operate under this rule. The newsprint paper industries, so far as 35,000 or more employees are concerned, and the lumber industry of the Pacific Coast, with 50,000 employees, pay punitive overtime as a result of war-time experience.

The packing-house industry, in which are employed 100,000 wage earners, was required to pay its employees time and a quarter for all work over eight hours and time and a half for hours in excess of ten hours per day. Judge Alschuler, in making the awards in May, 1918, declared the higher rate served to deter employers from unnecessarily requiring employees to work at such times; but if such work is necessary, it serves also to compensate the employee for the added sacrifice he makes in so working at times when he should have his liberty.

While punitive overtime is not paid in the steel industry as a whole, it is observed in the steel mills of the Colorado Fuel and Iron Company at Pueblo, Colo. In the case of the U. S. Steel Corporation, the basic eight-hour day was recently put in force, and the men were paid for eight hours' work as much as they had previously been paid for eleven hours, and additional compensation was paid pro rata for the remaining three hours of the day, as the men are still required to work eleven hours during the day shift and thirteen hours during the night shift.

One of the most remarkable instances of the application of punitive overtime is that found in the Merchant Marine, presumably one of the last occupations where it would be practiced, where 270,000 employees in the service have regularly been paid overtime as a result of long-standing trades union practices, and with the confirmation and approval of the United States Shipping Board. The practice in the Merchant Marine affects all classes of employees—seamen, licensed officers, engineers and galley and mess-room employees.

The Merchant Marine Service of Norway, Sweden and Italy may be instanced as examples of the practices in foreign countries.

In the street-railway service of this country the payment of punitive overtime is gaining ground. It is observed in Boston and practically all of the

cities of Massachusetts. The new agreements in New York and Chicago provide for it. It is prevalent in Newark and Paterson, N. J., and in other cities in that State. Detroit and Cleveland observe the rule. The practice is to pay from time and a quarter to time and a half.

The decisions of the National War Labor Board respecting the payment of overtime were fairly uniform. They fixed time and a half for all overtime, with double time for work on Sundays or holidays. The Board also awarded double time for work on Saturday afternoons and for such work late at night by those who were not night-shift men. In one case the joint chairman awarded time and a quarter for work between eight and ten hours and time and a half for work over ten hours, while in another case they awarded time and a half and double time for the same work, respectively.

State legislation in Oregon provides for punitive overtime for work done in excess of ten hours, limiting such work to emergency work. In the case of work by the State, county and other governmental divisions, punitive overtime is effective after eight hours of work per day. A law somewhat similar to the last named is also effective in the State of Washington.

Our War and Navy Departments, during the period of war, required the payment of punitive

overtime for all work in excess of eight hours, stating: "The theory under which we pay time and a half for overtime is a recommendation that it is usually unnecessary and also undesirable to have overtime. The excess payment is a penalty and intended to act as deterrent."

The general practice under the minimum-wage legislation, which as a rule affects women and children only, is to discourage and limit overtime as much as possible. When overtime is necessary, compensation is required somewhat in excess of the normal rate of compensation.

Either by law or administrative order, punitive overtime is required to be paid to those persons coming within the scope of the general eight-hour laws in the following countries: Finland, France, Equador, Poland, Austria, and Portugal. The eight-hour bill, now before Parliament in Great Britain, specifies not less than time and a quarter as the punitive overtime.

The international labor conference, at its recent meeting in Washington, when it recommended the adoption of a general eight-hour day by the countries which are members of the International Labor Organization, also recommended the payment of time and a quarter for all overtime work.

In the voluntary agreements and in the binding awards of the arbitration courts or wage boards of Australia and New Zealand, all overtime in excess

of eight hours a day, or forty hours per week, must be paid for at a higher rate of remuneration. Such a review of the industrial practice in regard to overtime tends to show that the mine workers, in asking for the establishment of punitive overtime, are merely asking that their industry be brought into line with the general industrial progress of the world.

IV. PROFITEERING AND MANAGEMENT.

The underlying difficulties of the whole situation come back to profiteering and mismanagement. Between these two evils we find the chief reason why there is such difficulty in giving the mine worker humane conditions without unduly taxing the consumer with high prices. In short, it is safe to say that could both these factors be eliminated, the industry could supply the community with plenty of coal at reasonable prices and at the same time provide for its workers a good life. Both profiteering and mismanagement are very expensive luxuries for the country that tolerates them.

Profits From Bituminous Coal Mining, 1914-1919.

An analysis of the net incomes derived from bituminous coal mining operations shows that the operators have been making extraordinary profits during the period of the war. During the year 1917 the Treasury Department reported to the Senate certain facts relative to 391 bituminous mining companies in the Appalachian, Mid-Continent, and Western Districts. This report showed capital stock, capital actually invested, net income, and net income after deduction of taxes. All of these companies earned 15 per cent or over. The aver-

age rate of return to invested capital showed by the companies as a whole was 52 per cent for the year 1917, the companies in the Appalachian District showing a return of 56 per cent, those in the Mid-Continent area 34 per cent, and the Western District 19 per cent. After deducting all taxes, the 392 companies as a whole showed an average rate of return on invested capital of 36 per cent, the average net profits for the West being 17 per cent, for the Middle West 22 per cent, and for the Appalachian District 39 per cent. The average rate of return shown by these same companies in 1916 was only 16 per cent.

Some of the earnings of the companies ranged very high. Ten companies, or 2.6 per cent of the total in 1917, after the payment of taxes, earned net returns of more than 1,000 per cent, while three companies out of every ten showed net earnings ranging between 100 and 1,000 per cent. The majority of the companies, or fifty-six out of every hundred, showed net returns ranging between 50 and 100 per cent. Sixty-six per cent, or more than five-eighths, earned 40 per cent and over; almost four-fifths, or 78 per cent, earned 30 per cent and over; 85 per cent earned 25 per cent and over, and practically all companies, or 92 per cent, showed a net return of over 20 per cent in 1917.

In order to meet any possible claim on the part of the coal companies that the figures published by the

Treasury Department represented selected companies with unusual earnings, and also to avoid the further criticism that heavy charges for depletion or depreciation should be made against the Treasury Department figures, the mine workers supplemented the report of the Treasury Department by a study of their own. This statement was prepared from a tabulation of the income figures of thirty-two coal and coke companies, taken from the financial statements of the companies themselves as published in the manuals of Moody and Poor.

This group of companies was not selected in any sense of the word. It includes every coal and coke company which allows its financial statements to be published by the above-named authoritative financial agencies, and, moreover, the majority of these corporations have been pursuing this policy for a great many years—long before the war—so that it could not be said that these are concerns which have become prosperous during the war period and for that reason now publish their accounts.

The figures taken represent the net income available for dividends, after deducting *every conceivable charge for depreciation, depletion, amortization, excess-profits, income and local taxes, sinking funds, etc.*, the item of depreciation in many cases being excessive and constituting a considerable proportion of the net worth of the corporation.

That the result of this tabulation is representative of the coal mining industry must be conceded when the source of this information is considered, as well as the fact that the size of the companies included, measured by the capital stock, ranged from a few thousand dollars to nearly seventy millions, the aggregate total of the invested capital being almost three hundred million dollars and the combined net income in 1917 more than sixty million dollars.

While some of these companies, even in pre-war years, showed a large earning on their capital stock, and in 1917-1918 made huge profits, in some instances earning more in one year than the entire capital, yet the group, in the aggregate for the five years, 1912 to 1916, inclusive, shows only a fair rate of return on capital—approximately 8 per cent. In the year 1917, however, the total net income was more than two and one-half times this percentage of the capital, and in 1918, when the large war taxes as well as governmental control of coal prices served to cut down the earnings, it was still almost twice as great as the average for the five years before this country entered the war.

That this increased earning capacity was not due to increased production is also shown by the figures which these companies issue. The tonnage produced by all of the companies for each year was not found to be available, but it was secured

for a majority of them, and conclusively proves that a vastly larger profit was *taken from each ton of coal during the war period than before.*

For the four years 1912-1915, the average net income available for dividends per ton of coal was less than 21 cents, in no one of these years being more than that amount. For the year 1915 it was more than 25 cents, while in 1917 it was practically 68 cents per ton, nearly three and one-half times the pre-war profits and two and one-half times the rate of earning in 1916. Even in 1918, despite higher wage rates, higher prices for equipment and supplies, Government prices on coal and enormous Federal taxes, the net income of these companies *per ton of coal was nearly* 50 *cents,* practically two and one-half times the normal pre-war profit.

In the light of all of these facts, it is absurd for the operators to put forth the claim that if the mine workers are paid a living wage, the public will suffer a forced advanced cost of coal and a further increase in the cost of living. While the mine workers, during our great national emergency, were working every day available in order to maintain production, were being paid wages even far below their pre-war purchasing power, which, as has been pointed out, was below a level of actual subsistence, and at the same time were sending members of their families to France and straining their inadequate resources to the utmost in the purchase of Liberty

Bonds in order to aid our common cause, the coal mining companies were helping to win the war by taking extortionate profits from the Government, our war industries and domestic consumers, and were telling our harassed people, when they protested against the prices of coal, that the high prices were due to the exaction of high wages by the mine workers. Their action has cast a stigma upon the industry and upon the patriotic honor of our people.

How a Great Coal Company Is Overcharging the Public.

But percentages are sometimes hard to grasp, and averages still more so. Therefore, it may prove interesting to take a single company and show how its financial organization has been worked out in such a way that it can overcharge the public without seeming to make high profits. Fortunately the operators themselves presented the example. They offered the Pittsburgh Coal Company as a typical case. The Pittsburgh Coal Company is one of the largest coal corporations in this country, controlling practically all the bituminous mines in the Pittsburgh District. In the years prior to 1917 it shows an average return on investment. Then, in 1917, the per cent of return on common stock went to nearly 20 per cent, and in 1918 it was still at 10 per cent.

But this does not tell the whole story. An investigation at the Congressional Library disclosed the history of this company, which the operators offered as typical. Like the majority of the corporations floated at the beginning of the twentieth century, practically all of the common stock was given as a bonus. To go into full details would make too long a story. But the pith of the matter is that of the present $68,000,000 capitalization of the Pittsburgh Coal Company, little more than half represents actual investment of money or of property. This means that in order to get the real returns on the actual investment, we must double the dividend rate given in the reports. This would mean, according to their own figures, that this great corporation was able to pay 40 per cent dividends in 1917 and 20 per cent in 1918.

And there is another interesting sidelight on methods of overcharging the public in the history of this company. As above noted, half of its stock did not represent any real value. In order to give real value to this stock, the company, in 1917, had certain mining engineers in the Pittsburgh District estimate the value of its lands. In order to "squeeze out the water"—that is, to give value to the common stock—the value of these lands was estimated probably several hundred per cent in excess of the actual cost of such lands. What did this mean to the public? It meant that instead of the

5 cents on each ton which the consumer had been paying to remunerate the company for the depletion of its lands, the consumer was suddenly called upon to pay double that amount—10 cents for each ton.

All these tricks played in the realm of stocks and bonds merely enable the companies to take a larger return for the coal which they produce than the public would stand for, if it only knew about the real situation. Here the fact that half the pretended investment did not represent real investment has forced the public to pay returns on $34,000,000 more than was really invested. In addition, an increased depletion charge is added. All these factors go into the high prices which the consumer must pay today if he would have coal.

Bituminous Coal Mining a Diseased Industry.

But in some ways more dangerous than profiteering is the fact of mismanagement, or, perhaps more truly of the bituminous coal industry, lack of management. According to a well-known industrial engineer, "In the strict sense of the term, it cannot be said that the coal operators ever managed their mines." Both the Federal Trade Commission and the U. S. Geological Survey agree not only in regard to the fact that most of the selling is handled through jobbers, but also in their references to the fact that often there is "ignorance of the cost" of production on the part of the operators. As far

as methods of work and training of employees are concerned, these functions of management seem to be left chiefly "to the judgment of workmen—men working on contract, fixing their own tools, keeping their own records." For one of the basic industries of the country to be so mismanaged means not only high prices and unsatisfactory working conditions, but also a terrible waste of the country's wealth in its fuel resources.

One of the first facts to which the industrial expert looks as an indication of mismanagement is the labor turnover—that is, the extent to which men are growing dissatisfied and leaving their jobs, thus necessitating the hiring of new workers. Roughly the percentage of "hiring and firing" reveals the condition of an industry. Figures as to labor turnover in the bituminous mines were given in an exhibit presented by the operators. The significance of the high turn-over there revealed is best expressed in the words of President Lewis:

"In a carefully prepared series of tables, the operators show that the labor turnover in all the Illinois fields in the year 1916 was 79.5 per cent, and in the first ten months of 1919 was 65.5 per cent. These are astounding figures. A high labor turnover is, perhaps, the most convincing symptom of a diseased industry. It means that working conditions are unsatisfactory, that the employees are so dissatisfied that they are willing to leave on the slightest provocation. This is a true picture of the pres-

ent conditions in the bituminous coal mining regions. Earnings are so low, employment is so irregular, and general working conditions are so unsatisfactory that the better and more ambitious men are glad to leave for other employments that offer better opportunities for a decent livelihood."

This state of affairs is in very great part caused by the irregularity which has been accepted as a normal condition by the operators who are able to make their profits in spite of it by charging the cost of periods of idleness into the price of coal, as shown above. The operators desire to keep their mines running only as long as necessary to supply their market or to fill the available car space at their disposal. The fluctuations of the market cause fluctuations in the number of days the mine is worked, and this in turn causes changes in the number of employees. These changes in the number of employees generally follow about a year after the changes in the number of days worked. This is caused by the fact that when the days worked are sharply reduced, the mine workers stay on the job, hoping for better times, until they are without the means of support, when they move on to some other industrial field, even though the demand for coal may be increasing.

When the days worked are increased, on the other hand, the operators are not able to obtain their supply of labor for about a year. Thus the

widely varying number of days worked operates to the disadvantage both of employees and operators. Here lie the causes of labor turnover, which is well known to be extremely costly to the public, which pays for it in higher prices.

The Attitude of the Mine Workers Towards the Use of Machinery.

The introduction of mining by machinery began about 1890. During the last few years it has been increasing rapidly. Since 1915 approximately 55 per cent of the bituminous coal mined in this country has been mined by machines. This means a very considerable increase in the product per man. Because of this the rate per ton for machine mining is below that for pick mining by from 7 to 17½ cents. Deducting the overhead charges on the investment in machines, the gross saving to the employer per machine is at least $425 a year, and in Pennsylvania much more.

The introduction of machinery is a mark of progress. It should mean that the country is able to produce its coal with less effort than formerly required. This would mean a sharing of the advantage of the new machinery among all those interested in the industry, the public and the mine workers as well as the operators. This is the position of the mine workers. They feel that the introduction of machinery is to be encouraged. Any-

thing which makes possible the production of enough coal, at the same time requiring fewer human hours spent in the dark and dangerous world below ground, is welcome. The mine worker, however, wants to make sure that this seeming progress does not prove to be simply progress in profits, but that real human progress shall result. In other words, the country must not allow the introduction of the machine to work hardship upon the men employed in the industry, either by forcing them to have fewer earning days per year or by pitting them against each other as competitors for a starvation wage.

In order to protect the mine worker against such results, the industry must be so arranged that the coming of the machine will render fewer hours below ground necessary. Provision must also be made to divert a part of the saving due to the introduction of machinery into securing for the mine worker a living wage. The men who work in hituminous mines are asking that the diseased industry in which they are so vitally interested be cured by the establishment of such modern standards that the operator must either equip his mine and operate it efficiently or go out of business. There is no wisdom in setting low standards in an industry in order to protect the profits of an operator who will not assist in the cure, who will not bring his particular part of the industry into line

with the modern conservative movement looking to the conservation of human and natural resources.

This attitude of the mine workers has been best expressed by their former president, John Mitchell, in his book, "Organized Labor," from which the following quotation was quoted in one of the exhibits in explanation of their attitude:

"Trade unionists know that they cannot do without further advances in machinery, just as they realize that they could not maintain their present status if all the machinery introduced in the past were to be suddenly withdrawn.

"What the trade unionist desires is not the prohibition of machinery, but its regulation. The unionist demands first that machinery be introduced in such a way as to give the greatest possible benefit to all classes, with the least possible damage to the workman, and; second, that the introduction of machinery shall redound to the direct and immediate advantage of the workman, as well as to the direct and immediate advantage of the employer.

"Whatever may be the ultimate effect of the introduction of machinery, the immediate effect has been to work extreme hardship on the employee. The workmen who are obliged to work longer hours or more intensely for the same amount of pay, or who are thrown out of employment entirely, will not be consoled by the fact that in the long run prices will be reduced and the articles which they manufacture cheapened to them. The unionists believe that machinery should be intro-

duced with the least possible friction and the least possible hardship to individuals. When the employer is asked to increase wages or reduce hours, he frequently asks for an interval of a certain time in order to allow him to accommodate himself to the change, and the labor unions are now beginning to recognize the necessity of making great changes in industrial conditions by slow degrees. An equal duty should rest upon the employer to make alterations gradually, so as to extend the effect of the change over a series of years, and thus permit the workmen to accommodate themselves to the conditions.

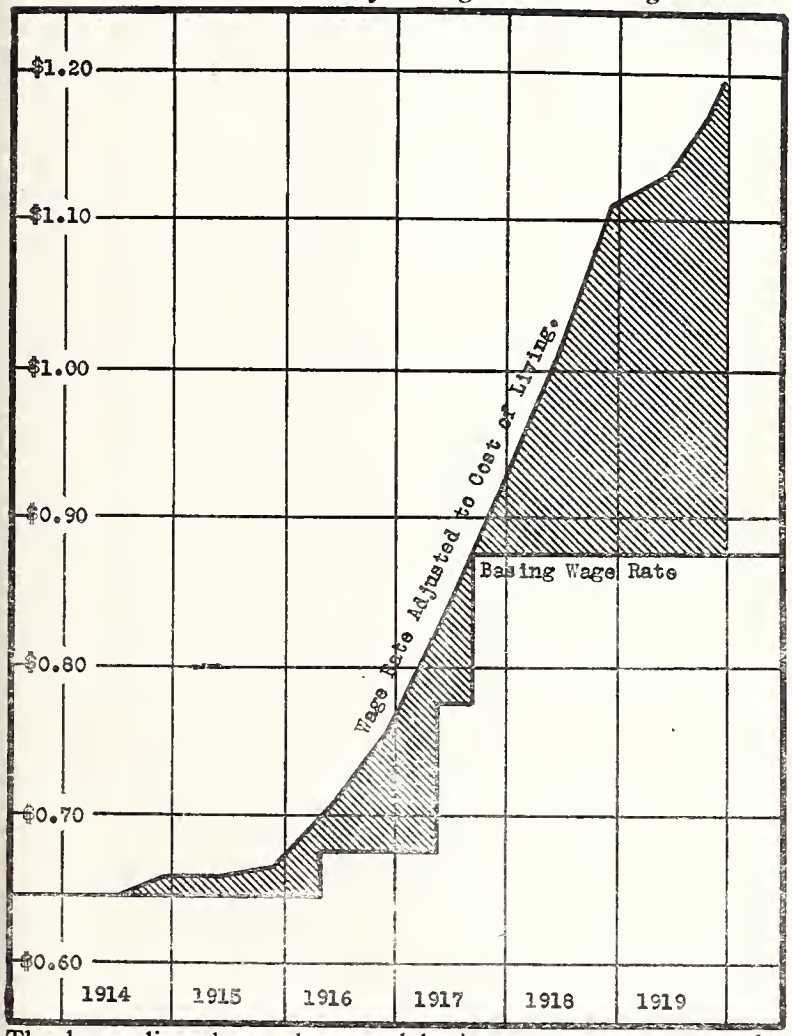
"It is felt by the trade unionists, moreover, that the workman should receive some direct benefit from the introduction of new machines. Apart from the fact that machinery works damage indirectly by making work more irregular, apart also from the fact that the introduction of the machine often means increased intensity of work and increased wear and tear upon the nervous system, apart from all other considerations, the workman should receive a portion of the benefit which is derived by the employer from the introduction of machinery. *The majority of trade unionists claim . . . that whenever a machine is improved or a new machine introduced, a part of the advantage should go to them immediately in increased wages or decreased hours.* It is felt by the unionists that this is only fair and just, and that such a distribution of benefits would compensate the workman for the increased intensity of his work, and would be to the ultimate advantage of the employer and of society.

"Much of the supposed hostility of trade unions to machinery is due merely to the fact that the unions are not willing to allow the employer to secure the entire benefit from the new machine or the improved process. Even though the employer has bought the machine or the process, it does not entitle him to subject his workmen to it at a sacrifice to them and an advantage to him. A machine is in a certain sense the property not only of the man who buys it, but of the man who operates it; not only of the man who invents it, but of the society whose manifold work by men of research made its discovery possible. The inventor receives his reward through royalties, or through cash payment, society through the cheapening of the product; and the employer and employees should arrange among themselves for an equitable distribution among them, the employer to be paid for his increased expense, for the cost of equipment, maintenance, and risk, and for his enterprise, while the workingman should be paid for his increased exertion and should be given a share in the bonus above that amount. The introduction of the machine should be done upon what may be likened to the cooperative system, and the machines should not be used to make the profits of the employer greater and the pittance of the employee less.

"As a matter of history, trade unionism has not only not restricted the use of machinery, but has actually encouraged and stimulated its application. It was formerly cited as an instance of "trade union folly" that the insistence upon high wages and upon other expensive conditions led to the displacement of men by machines. . . . Trade unions, more-

over, have consciously adopted the policy of encouraging inventions and the use of machinery. Unionists realize that by insisting upon a standard rate of pay, a maximum working day, and a certain minimum of safety and comfort for the workman, factories which are not equipped with modern machinery must eventually be forced out of business. *The theory of the trade unions is that the manufacturer must either equip his factory with modern labor-saving devices or else suffer by competition, but that he may not pay lower wages because of his unwillingness to secure the best machinery.* Where trade unions do not exist, employers with the worst and oldest machinery and the most antiquated methods manage to eke out a precarious existence by underpaying and starving their workmen, but where trade unionism is able to enforce a definite minimum wage, these less skillful and less adequately equipped manufacturers must either introduce the modern appliances or go to the wall. As a consequence, the countries, the industries, and even the individual establishments where trade unionism is strongest are those in which machinery is applied earliest and to the largest extent."

AMOUNT LOST BY MINE WORKERS
Due to continually rising cost of living



The lower line shows the actual basing wage rate per ton for the Pittsburgh District.

The upper line shows this rate as it would have been if adjusted to the continually rising cost of living.

The difference between these rates (shown by the shaded area) is amount lost by miner per ton as explained on page 43.